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Memorandum Office

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: POLLARD PLAZA OUTREACH

DATE: August 25, 2005

Approved

Date

8/30/05

COUNCIL DISTRICT: 7
SNI AREA: Tully/Senter

INFORMATION

Background

On June 28, 2005, the City Council authorized an increase in the permanent loan amount for Pollard Plaza Apartments, located at the Southeast corner of McLaughlin Avenue and Story Road. The City Council also authorized revisions to the income targeting to deepen affordability and reduce rents. This project, originally approved in early 2002, offers 130 units that are affordable to very low- and low-income households and has a marketing preference for teachers.

At the City Council meeting on June 28, 2005, staff was directed to provide additional details on the community outreach performed when a change in developers occurred, and to ensure that the developer, EAH, conducts further outreach to the community to address any concerns.

Outreach Efforts

In early August 2002, Story LIH, LLC, the for-profit sponsor of the Pollard Plaza project, exited the Story Plaza Apartments partnership, the legal entity established to develop Pollard Plaza Apartments. In order to ensure that the project would be constructed, the project's lenders and investors requested that EAH, a nonprofit developer specializing in affordable housing and a Co-general Partner in Story Plaza Apartments, assume the role of General Partner and sole developer.

During the process of planning for the Pollard Plaza project, the sponsor provided outreach to the community on a number of occasions, including a meeting on November 19, 2001 at the Santee Elementary School Cafeteria. In addition, notices of the public hearing before the Planning Commission on December 12, 2001 and City Council's PD Zoning Hearing on December 18, 2001 were published and distributed to the owners and tenants of all properties located within 1,000 feet of the project site. When Story LIH exited the partnership, EAH did not deem additional outreach to the community to be necessary for two reasons:

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- EAH was already in the partnership structure and had participated in design, planning and community outreach since the first stages of the project in early 2002.
- The project concept, design, and unit mix all remained the same.

In response to the City Council's direction on June 28, 2005, EAH and City staff will attend a meeting of the Tully/Senter Neighborhood Advisory Committee (NAC) on September 1, 2005 to discuss the project's future changes in income restrictions. The City has also offered to take members of the NAC on a bus tour to see other City-funded affordable housing developments to demonstrate that similar projects have been well maintained over the years and are an asset to the community.

One concern raised by local residents is that the project's revised income targeting will make teachers ineligible for admission due to higher incomes. Housing Department analysis indicates that the reduced maximum rents allowed for one-bedroom units, from rents affordable to residents at 60% AMI to 45% AMI, will allow a two-person household with an annual income of up to \$38,200 to qualify for occupancy. According to first-quarter 2005 data for San José, the income for junior teachers in elementary school, kindergarten and preschool fall below this amount and, therefore, these teachers are income-eligible to qualify for these apartments.

In fact, teachers are already among the project's current residents, who include a pre-school teacher working in Milpitas as well as a band teacher who recently relocated from Pittsburg to take his first teaching job. To attract teachers to the project over the past few months, EAH has met with over 40 schools in the Alum Rock, Franklin McKinley, and East Side Union High School districts, and also has reached out to teachers through flyers and newspaper ads. EAH remains committed to ongoing marketing to teachers and other school employees so that they can become part of a stable tenant population at Pollard Plaza.

Conclusion

EAH continues to actively market to teachers and to communicate with the public about changes in rents and income restrictions.


LESLIE CORSIGLIA
Director of Housing